

[4310-MR-W]

DEPARTMENT OF THE INTERIOR

Minerals Management Service

Agency Information Collection Activities: Submitted for Office of Management and Budget (OMB) Review; Comment Request

AGENCY: Minerals Management Service (MMS), Interior.

ACTION: Notice of an extension of a currently approved information collection (OMB Control Number 1010-0136).

SUMMARY: To comply with the Paperwork Reduction Act (PRA) of 1995, we are notifying the public that we have submitted to OMB an information collection request (ICR) to renew approval of the paperwork requirements in the regulations under 30 CFR Part 206, Subpart C, Federal Oil. This notice also provides the public a second opportunity to comment on the paperwork burden of these regulatory requirements. The ICR is titled: “30 CFR Part 206, Subpart C, Federal Oil.”

DATES: Submit written comments on or before (INSERT DATE 30 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER).

ADDRESSES: Submit written comments to Sharron L. Gebhardt, Regulatory Specialist, Minerals Management Service, Minerals Revenue Management, P.O. Box 25165, MS 320B2, Denver, Colorado 80225. If you use an overnight courier service, our courier address is Building 85, Room A-614, Denver Federal Center, Denver, Colorado 80225. You may also email your comments to us at mrm.comments@mms.gov. Include the title of the information collection and the OMB control number in the “Attention” line of your comment. Also include your name and return address. Submit electronic comments as

an ASCII file avoiding the use of special characters and any form of encryption. If you do not receive a confirmation we have received your email, contact Ms. Gebhardt at (303) 231-3211.

FOR FURTHER INFORMATION CONTACT: Sharron L. Gebhardt, telephone (303) 231-3211, FAX (303) 231-3385 or email sharron.gebhardt@mms.gov. You may also contact Sharron Gebhardt to obtain a copy at no cost of the regulations that require the subject collection of information.

SUPPLEMENTARY INFORMATION:

Title: 30 CFR Part 206, Subpart C, Federal Oil.

OMB Control Number: 1010-0136.

Abstract: The Department of the Interior (DOI) is responsible for matters relevant to mineral resource development on Federal and Indian lands and the Outer Continental Shelf (OCS). The Secretary of the Interior is responsible for managing the production of minerals from Federal and Indian lands and the OCS, collecting royalties from lessees who produce minerals, and distributing the funds collected in accordance with applicable laws. MMS assists the Secretary in performing the royalty management functions.

Section 101(a) of the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA), as amended, requires that the Secretary “establish a comprehensive inspection, collection, and fiscal and production accounting and auditing system to provide the capability to accurately determine oil and gas royalties, interest, fines, penalties, fees, deposits, and other payments owed, and collect and account for such

amounts in a timely manner.” In order to accomplish these tasks, MMS developed valuation regulations for Federal leases at 30 CFR Part 206, Subpart C. These regulations were published as a final rule in the Federal Register on March 15, 2000 (65 FR 14022). Market value is a basic principle underlying royalty valuation. Consequently, these regulations include methods to capture the true market value of crude oil produced from Federal leases, both onshore and offshore.

When a company or an individual enters into a lease to explore, develop, produce, and dispose of minerals from Federal or Indian lands, that company or individual agrees to pay the lessor a share (royalty) of the value received from production from the leased lands. The lease creates a business relationship between the lessor and the lessee. The lessee is required to report various kinds of information to the lessor relative to the disposition of the leased minerals. Such information is similar to data reported to private and public mineral interest owners and is generally available within the records of the lessee or others involved in developing, transporting, processing, purchasing, or selling of such minerals. The information collected includes data necessary to assure that the royalties are paid appropriately. The valuation regulations at 30 CFR Part 206, Subpart C, require companies to collect and/or submit information used to value their Federal oil.

MMS is requesting OMB's approval to continue to collect this information. Not collecting the information would limit the Secretary's ability to discharge his/her duties and may also result in loss of royalty payments. Proprietary information submitted is protected, and there are no questions of a sensitive nature included in this information collection.

Frequency: Annually.

Estimated Number and Description of Respondents: 69 Federal lessees.

Estimated Annual Reporting and Recordkeeping "Hour" Burden: 12,431 hours.

The following chart details the individual components and estimated hour burdens. In calculating the burdens, we assumed that respondents perform certain requirements in the normal course of their activities. Therefore, we consider these to be usual and customary and took that into account in estimating the burden.

30 CFR 206 Section	Reporting Requirements	Burden Hours Per Response	Annual Number of Responses	Annual Burden Hours
206.103 (a), (b), (c), and (e)	Calculate value of oil not sold at arm's-length.	Category 1 = 222.50 ¹ Category 2 = 116.00 ² Category 3 = 31.25 ³	13 4 28	2,892 464 875
	Obtain MMS approval for tendering program.	400	2	800
	Obtain MMS approval for alternative valuation methodology.	400	2	800
	Obtain MMS approval to use value determined at refinery.	330	1	330
206.107(a)	Request a value determination from MMS.	330	8	2,640
206.109(c)(2)	Request to exceed regulatory limit—Form MMS-4393.	Burden covered under OMB Control Number 1010-0095		

30 CFR 206 Section	Reporting Requirements	Burden Hours Per Response	Annual Number of Responses	Annual Burden Hours
206.110(b), (c), and (e)	Propose transportation cost allocation method to MMS when transporting more than one liquid product under an arm's-length contract.	330	1	330
	Propose transportation cost allocation method to MMS when transporting gaseous and liquid products under an arm's-length contract.	330	1	330
	You must obtain MMS approval before claiming a transportation factor in excess of 50 percent of the base price of the product.	330	1	330
206.110(c)(1) and 206.111(l)(2)	Amend your Form MMS-2014 if MMS rejects your cost allocation.	Burden covered under OMB Control Number 1010-0140.		
206.111(g), (k), and (l)	Propose change of depreciation method for non-arm's-length transportation allowances to MMS.	330	1	330
	Propose transportation cost allocation method to MMS when transporting more than one liquid product under a non-arm's-length contract.	330	1	330
	Propose transportation cost allocation method to MMS when transporting gaseous and liquid product under a non-arm's-length contract.	330	1	330
206.112(b) and (f)	Request MMS approval for location/quality adjustment under non-arm's-length exchange agreements.	330	1	330
	Request MMS for location/quality adjustment when information is not available.	330	4	1,320

30 CFR 206 Section	Reporting Requirements	Burden Hours Per Response	Annual Number of Responses	Annual Burden Hours
206.114 and 115(a)	Report a separate entry for transportation allowances— Form MMS-2014.	Burden covered under OMB Control Number 1010-0140.		
Total			69	12,431

¹ Category 1 lessees are companies with over 30 million barrels of annual domestic production.

² Category 2 lessees are companies with between 10 and 30 million barrels of annual domestic production.

³ Category 3 lessees are companies with less than 10 million barrels of annual domestic production.

Estimated Annual Reporting and Recordkeeping “Non-hour Cost” Burden: We have identified no “non-hour” cost burdens.

Public Disclosure Statement: The PRA (44 U.S.C. 3501, et seq.) provides an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB Control Number.

Comments: Before submitting an ICR to OMB, PRA Section 3506(c)(2)(A) requires each agency “* * * to provide notice * * * and otherwise consult with members of the public and affected agencies concerning each proposed collection of information * * *.” Agencies must specifically solicit comments to: (a) evaluate whether the proposed collection of information is necessary for the agency to perform its duties, including whether the information is useful; (b) evaluate the accuracy of the agency’s estimate of the burden of the proposed collection of information; (c) enhance the quality, usefulness, and clarity of the information to be collected; and (d) minimize the burden on the

respondents, including the use of automated collection techniques or other forms of information technology.

To comply with the public consultation process, we published a Federal Register Notice (67 FR 62985) on October 9, 2002, announcing that we would submit this ICR to OMB for approval. The notice provided the required 60-day comment period. We received no comments in response to the notice.

If you wish to comment in response to this notice, you may send your comments to the offices listed under the ADDRESSES section of this notice. OMB has up to 60 days to approve or disapprove the information collection but may respond after 30 days. Therefore, to ensure maximum consideration, OMB should receive public comments by [INSERT DATE 30 DAYS AFTER THE DATE OF PUBLICATION IN THE FEDERAL REGISTER].

Public Comment Policy: We will post all comments in response to this notice on our web site at www.mrm.mms.gov/Laws_R_D/FRNotices/FRInfColl.htm. We will also make copies of the comments available for public review, including names and addresses of respondents, during regular business hours at our offices in Lakewood, Colorado. Individual respondents may request we withhold their home address from the public record, which we will honor to the extent allowable by law. There also may be circumstances in which we would withhold from the rulemaking record a respondent's identity, as allowable by law. If you request that we withhold your name and/or address, state this prominently at the beginning of your comment. However, we will not consider anonymous comments. We will make all submissions from organizations or businesses,

and from individuals identifying themselves as representatives or officials of organizations or businesses, available for public inspection in their entirety.

MMS Information Collection Clearance Officer: Jo Ann Lauterbach, (202) 208-7744.

Date

Lucy Querques Denett
Associate Director for
Minerals Revenue Management